

SECOND REGULAR SESSION

SENATE BILL NO. 970

93RD GENERAL ASSEMBLY

INTRODUCED BY SENATOR GROSS.

Read 1st time January 30, 2006, and ordered printed.

TERRY L. SPIELER, Secretary.

4547S.011

AN ACT

To repeal sections 163.011 and 163.031, as enacted by conference committee substitute for house committee substitute for senate substitute for senate committee substitute for senate bill no. 287, ninety-third general assembly, first regular session, and to enact in lieu thereof two new sections relating to fine revenues received by school districts, with an emergency clause.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Sections 163.011 and 163.031, as enacted by conference
2 committee substitute for house committee substitute for senate substitute for
3 senate committee substitute for senate bill no. 287, ninety-third general
4 assembly, first regular session, are repealed and two new sections enacted in lieu
5 thereof, to be known as sections 163.011 and 163.031, to read as follows:

163.011. As used in this chapter unless the context requires otherwise:

2 (1) "Adjusted operating levy", the sum of tax rates for the current year for
3 teachers' and incidental funds for a school district as reported to the proper
4 officer of each county pursuant to section 164.011, RSMo;

5 (2) "Average daily attendance", the quotient or the sum of the quotients
6 obtained by dividing the total number of hours attended in a term by resident
7 pupils between the ages of five and twenty-one by the actual number of hours
8 school was in session in that term. To the average daily attendance of the
9 following school term shall be added the full-time equivalent average daily
10 attendance of summer school students. "Full-time equivalent average daily
11 attendance of summer school students" shall be computed by dividing the total
12 number of hours attended by all summer school pupils by the number of hours
13 required in section 160.011, RSMo, in the school term. For purposes of
14 determining average daily attendance under this subdivision, the term "resident

15 pupil" shall include all children between the ages of five and twenty-one who are
16 residents of the school district and who are attending kindergarten through grade
17 twelve in such district. If a child is attending school in a district other than the
18 district of residence and the child's parent is teaching in the school district or is
19 a regular employee of the school district which the child is attending, then such
20 child shall be considered a resident pupil of the school district which the child is
21 attending for such period of time when the district of residence is not otherwise
22 liable for tuition. Average daily attendance for students below the age of five
23 years for which a school district may receive state aid based on such attendance
24 shall be computed as regular school term attendance unless otherwise provided
25 by law;

26 (3) "Current operating expenditures":

27 (a) For the fiscal year 2007 calculation, "current operating expenditures"
28 shall be calculated using data from fiscal year 2004 and shall be calculated as all
29 expenditures for instruction and support services except capital outlay and debt
30 service expenditures minus the revenue from federal categorical sources; food
31 service; student activities; categorical payments for transportation costs pursuant
32 to section 163.161; state reimbursements for early childhood special education;
33 the career ladder entitlement for the district, as provided for in sections 168.500
34 to 168.515, RSMo; the vocational education entitlement for the district, as
35 provided for in section 167.332, RSMo; and payments from other districts;

36 (b) In every fiscal year subsequent to fiscal year 2007, current operating
37 expenditures shall be the amount in paragraph (a) plus any increases in state
38 funding pursuant to sections 163.031 and 163.043 subsequent to fiscal year 2005,
39 not to exceed five percent, per recalculation, of the state revenue received by a
40 district in the 2004-05 school year from the foundation formula, line 14, gifted,
41 remedial reading, exceptional pupil aid, fair share, and free textbook payments
42 for any district from the first preceding calculation of the state adequacy target;

43 (4) "District's tax rate ceiling", the highest tax rate ceiling in effect
44 subsequent to the 1980 tax year or any subsequent year. Such tax rate ceiling
45 shall not contain any tax levy for debt service;

46 (5) "Dollar value modifier", an index of the relative purchasing power of
47 a dollar, calculated as one plus fifteen percent of the difference of the regional
48 wage ratio minus one, provided that the dollar value modifier shall not be applied
49 at a rate less than 1.0:

50 (a) "County wage per job", the total county wage and salary disbursements

51 divided by the total county wage and salary employment for each county and the
52 city of St. Louis as reported by the Bureau of Economic Analysis of the United
53 States Department of Commerce for the fourth year preceding the payment year;

54 (b) "Regional wage per job":

55 a. The total Missouri wage and salary disbursements of the metropolitan
56 area as defined by the Office of Management and Budget divided by the total
57 Missouri metropolitan wage and salary employment for the metropolitan area for
58 the county signified in the school district number or the city of St. Louis, as
59 reported by the Bureau of Economic Analysis of the United States Department
60 of Commerce for the fourth year preceding the payment year and recalculated
61 upon every decennial census to incorporate counties that are newly added to the
62 description of metropolitan areas; or if no such metropolitan area is established,
63 then:

64 b. The total Missouri wage and salary disbursements of the micropolitan
65 area as defined by the Office of Management and Budget divided by the total
66 Missouri micropolitan wage and salary employment for the micropolitan area for
67 the county signified in the school district number, as reported by the Bureau of
68 Economic Analysis of the United States Department of Commerce for the fourth
69 year preceding the payment year, if a micropolitan area for such county has been
70 established and recalculated upon every decennial census to incorporate counties
71 that are newly added to the description of micropolitan areas; or

72 c. If a county is not part of a metropolitan or micropolitan area as
73 established by the Office of Management and Budget, then the county wage per
74 job, as defined in paragraph (a) of this subdivision, shall be used for the school
75 district, as signified by the school district number;

76 (c) "Regional wage ratio", the ratio of the regional wage per job divided by
77 the state median wage per job;

78 (d) "State median wage per job", the fifty-eighth highest county wage per
79 job;

80 (6) "Free and reduced lunch pupil count", the number of pupils eligible for
81 free and reduced lunch on the last Wednesday in January for the preceding school
82 year who were enrolled as students of the district, as approved by the department
83 in accordance with applicable federal regulations;

84 (7) "Free and reduced lunch threshold" shall be calculated by dividing the
85 total free and reduced lunch pupil count of every performance district that falls
86 entirely above the bottom five percent and entirely below the top five percent of

87 average daily attendance, when such districts are rank-ordered based on their
88 current operating expenditures per average daily attendance, by the total average
89 daily attendance of all included performance districts;

90 (8) "Limited English proficiency pupil count", the number in the preceding
91 school year of pupils aged three through twenty-one enrolled or preparing to
92 enroll in an elementary school or secondary school who were not born in the
93 United States or whose native language is a language other than English or are
94 Native American or Alaskan native, or a native resident of the outlying areas,
95 and come from an environment where a language other than English has had a
96 significant impact on such individuals' level of English language proficiency, or
97 are migratory, whose native language is a language other than English, and who
98 come from an environment where a language other than English is dominant; and
99 have difficulties in speaking, reading, writing, or understanding the English
100 language sufficient to deny such individuals the ability to meet the state's
101 proficient level of achievement on state assessments described in Public Law
102 107-10, the ability to achieve successfully in classrooms where the language of
103 instruction is English, or the opportunity to participate fully in society;

104 (9) "Limited English proficiency threshold" shall be calculated by dividing
105 the total limited English proficiency pupil count of every performance district that
106 falls entirely above the bottom five percent and entirely below the top five percent
107 of average daily attendance, when such districts are rank-ordered based on their
108 current operating expenditures per average daily attendance, by the total average
109 daily attendance of all included performance districts;

110 (10) "Local effort":

111 (a) For the fiscal year 2007 calculation, "local effort" shall be computed as
112 the equalized assessed valuation of the property of a school district in calendar
113 year 2004 divided by one hundred and multiplied by the performance levy less the
114 percentage retained by the county assessor and collector plus one hundred
115 percent of the amount received in fiscal year 2005 for school purposes from
116 intangible taxes, fines, escheats, payments in lieu of taxes and receipts from
117 state-assessed railroad and utility tax, one hundred percent of the amount
118 received for school purposes pursuant to the merchants' and manufacturers' taxes
119 under sections 150.010 to 150.370, RSMo, one hundred percent of the amounts
120 received for school purposes from federal properties under sections 12.070 and
121 12.080, RSMo, except when such amounts are used in the calculation of federal
122 impact aid pursuant to P.L. 81-874, fifty percent of Proposition C revenues

123 received for school purposes from the school district trust fund under section
124 163.087, and one hundred percent of any local earnings or income taxes received
125 by the district for school purposes. Under this paragraph, for a special district
126 established under sections 162.815 to 162.940, RSMo, in a county with a charter
127 form of government and with more than one million inhabitants, a tax levy of zero
128 shall be utilized in lieu of the performance levy for the special school district;

129 (b) In every year subsequent to fiscal year 2007, "local effort" shall be the
130 amount calculated under paragraph (a) of this subdivision plus any increase in
131 the amount received for school purposes from fines **or less any decrease in the**
132 **amount received for school purposes from fines**. If a district's assessed
133 valuation has decreased subsequent to the calculation outlined in paragraph (a)
134 of this subdivision, the district's local effort shall be calculated using the district's
135 current assessed valuation in lieu of the assessed valuation utilized in calculation
136 outlined in paragraph (a) of this subdivision;

137 (11) "Membership" shall be the average of:

138 (a) The number of resident full-time students and the full-time equivalent
139 number of part-time students who were enrolled in the public schools of the
140 district on the last Wednesday in September of the previous year and who were
141 in attendance one day or more during the preceding ten school days; and

142 (b) The number of resident full-time students and the full-time equivalent
143 number of part-time students who were enrolled in the public schools of the
144 district on the last Wednesday in January of the previous year and who were in
145 attendance one day or more during the preceding ten school days, plus the
146 full-time equivalent number of summer school pupils.

147 "Full-time equivalent number of part-time students" is determined by dividing the
148 total number of hours for which all part-time students are enrolled by the number
149 of hours in the school term. "Full-time equivalent number of summer school
150 pupils" is determined by dividing the total number of hours for which all summer
151 school pupils were enrolled by the number of hours required pursuant to section
152 160.011, RSMo, in the school term. Only students eligible to be counted for
153 average daily attendance shall be counted for membership;

154 (12) "Operating levy for school purposes", the sum of tax rates levied for
155 teachers' and incidental funds plus the operating levy or sales tax equivalent
156 pursuant to section 162.1100, RSMo, of any transitional school district containing
157 the school district, in the payment year, not including any equalized operating
158 levy for school purposes levied by a special school district in which the district is

159 located;

160 (13) "Performance district", any district that has met all performance
161 standards and indicators as established by the department of elementary and
162 secondary education for purposes of accreditation under section 161.092, RSMo,
163 and as reported on the final annual performance report for that district each year;

164 (14) "Performance levy", three dollars and forty-three cents;

165 (15) "School purposes" pertains to teachers' and incidental funds;

166 (16) "Special education pupil count", the number of public school students
167 with a current individualized education program and receiving services from the
168 resident district as of December first of the preceding school year, except for
169 special education services provided through a school district established under
170 sections 162.815 to 162.940, RSMo, in a county with a charter form of government
171 and with more than one million inhabitants, in which case the sum of the
172 students in each district within the county exceeding the special education
173 threshold of each respective district within the county shall be counted within the
174 special district and not in the district of residence for purposes of distributing the
175 state aid derived from the special education pupil count;

176 (17) "Special education threshold" shall be calculated by dividing the total
177 special education pupil count of every performance district that falls entirely
178 above the bottom five percent and entirely below the top five percent of average
179 daily attendance, when such districts are rank-ordered based on their current
180 operating expenditures per average daily attendance, by the total average daily
181 attendance of all included performance districts;

182 (18) "State adequacy target", the sum of the current operating
183 expenditures of every performance district that falls entirely above the bottom
184 five percent and entirely below the top five percent of average daily attendance,
185 when such districts are rank-ordered based on their current operating
186 expenditures per average daily attendance, divided by the total average daily
187 attendance of all included performance districts. The department of elementary
188 and secondary education shall first calculate the state adequacy target for fiscal
189 year 2007 and recalculate the state adequacy target every two years using the
190 most current available data. The recalculation shall never result in a decrease
191 from the previous state adequacy target amount. Should a recalculation result
192 in an increase in the state adequacy target amount, fifty percent of that increase
193 shall be included in the state adequacy target amount in the year of recalculation,
194 and fifty percent of that increase shall be included in the state adequacy target

195 amount in the subsequent year. The state adequacy target may be adjusted to
196 accommodate available appropriations;

197 (19) "Teacher", any teacher, teacher-secretary, substitute teacher,
198 supervisor, principal, supervising principal, superintendent or assistant
199 superintendent, school nurse, social worker, counselor or librarian who shall,
200 regularly, teach or be employed for no higher than grade twelve more than
201 one-half time in the public schools and who is certified under the laws governing
202 the certification of teachers in Missouri;

203 (20) "Weighted average daily attendance", the average daily attendance
204 plus the product of twenty-five hundredths multiplied by the free and reduced
205 lunch pupil count that exceeds the free and reduced lunch threshold, plus the
206 product of seventy-five hundredths multiplied by the number of special education
207 pupil count that exceeds the special education threshold, and plus the product of
208 six-tenths multiplied by the number of limited English proficiency pupil count
209 that exceeds the limited English proficiency threshold. For special districts
210 established under sections 162.815 to 162.940, RSMo, in a county with a charter
211 form of government and with more than one million inhabitants, weighted
212 average daily attendance shall be the average daily attendance plus the product
213 of twenty-five hundredths multiplied by the free and reduced lunch pupil count
214 that exceeds the free and reduced lunch threshold, plus the product of seventy-
215 five hundredths multiplied by the sum of the special education pupil count that
216 exceeds the threshold for each county district, plus the product of six-tenths
217 multiplied by the limited English proficiency pupil count that exceeds the limited
218 English proficiency threshold. None of the districts comprising a special district
219 established under sections 162.815 to 162.940, RSMo, in a county with a charter
220 form of government and with more than one million inhabitants, shall use any
221 special education pupil count in calculating their weighted average daily
222 attendance.

163.031. 1. The department of elementary and secondary education shall
2 calculate and distribute to each school district qualified to receive state aid under
3 section 163.021 an amount determined by multiplying the district's weighted
4 average daily attendance by the state adequacy target, multiplying this product
5 by the dollar value modifier for the district, and subtracting from this product the
6 district's local effort and, in years not governed under subsection 4 of this section,
7 subtracting payments from the classroom trust fund under section 163.043.

8 2. Other provisions of law to the contrary notwithstanding:

9 (1) For districts with an average daily attendance of more than three
10 hundred fifty in the school year preceding the payment year:

11 (a) For the 2006-07 school year, the state revenue per weighted average
12 daily attendance received by a district from the state aid calculation under
13 subsections 1 and 4 of this section, as applicable, and the classroom trust fund
14 under section 163.043 shall not be less than the state revenue received by a
15 district in the 2005-06 school year from the foundation formula, line 14, gifted,
16 remedial reading, exceptional pupil aid, fair share, and free textbook payment
17 amounts multiplied by the sum of one plus the product of one-third multiplied by
18 the remainder of the dollar value modifier minus one, and dividing this product
19 by the weighted average daily attendance computed for the 2005-06 school year;

20 (b) For the 2007-08 school year, the state revenue per weighted average
21 daily attendance received by a district from the state aid calculation under
22 subsections 1 and 4 of this section, as applicable, and the classroom trust fund
23 under section 163.043 shall not be less than the state revenue received by a
24 district in the 2005-06 school year from the foundation formula, line 14, gifted,
25 remedial reading, exceptional pupil aid, fair share, and free textbook payment
26 amounts multiplied by the sum of one plus the product of two-thirds multiplied
27 by the remainder of the dollar value modifier minus one, and dividing this
28 product by the weighted average daily attendance computed for the 2005-06
29 school year;

30 (c) For the 2008-09 school year, the state revenue per weighted average
31 daily attendance received by a district from the state aid calculation under
32 subsections 1 and 4 of this section, as applicable, and the classroom trust fund
33 under section 163.043 shall not be less than the state revenue received by a
34 district in the 2005-06 school year from the foundation formula, line 14, gifted,
35 remedial reading, exceptional pupil aid, fair share, and free textbook payment
36 amounts multiplied by the dollar value modifier, and dividing this product by the
37 weighted average daily attendance computed for the 2005-06 school year;

38 (d) For each year subsequent to the 2008-09 school year, the amount shall
39 be no less than that computed in paragraph (c) of this subdivision, multiplied by
40 the weighted average daily attendance pursuant to section 163.036, less any
41 increase in revenue received from the classroom trust fund under section 163.043;

42 **(e) For districts meeting the criteria of paragraphs (a) through**
43 **(d) of this subdivision, an additional payment amount equal to the**
44 **decrease, if any, in the amount of revenue a district receives from fines**

45 **in the current year from the revenue the district received from fines in**
46 **fiscal year 2005 shall be paid to any such qualified district.**

47 (2) For districts with an average daily attendance of three hundred fifty
48 or less in the school year preceding the payment year:

49 (a) For the 2006-07 school year, the state revenue received by a district
50 from the state aid calculation under subsections 1 and 4 of this section, as
51 applicable, and the classroom trust fund under section 163.043 shall not be less
52 than the greater of state revenue received by a district in the 2004-05 or 2005-06
53 school year from the foundation formula, line 14, gifted, remedial reading,
54 exceptional pupil aid, fair share, and free textbook payment amounts multiplied
55 by the sum of one plus the product of one-third multiplied by the remainder of the
56 dollar value modifier minus one;

57 (b) For the 2007-08 school year, the state revenue received by a district
58 from the state aid calculation under subsections 1 and 4 of this section, as
59 applicable, and the classroom trust fund under section 163.043 shall not be less
60 than the greater of state revenue received by a district in the 2004-05 or 2005-06
61 school year from the foundation formula, line 14, gifted, remedial reading,
62 exceptional pupil aid, fair share, and free textbook payment amounts multiplied
63 by the sum of one plus the product of two-thirds multiplied by the remainder of
64 the dollar value modifier minus one;

65 (c) For the 2008-09 school year, the state revenue received by a district
66 from the state aid calculation under subsections 1 and 4 of this section, as
67 applicable, and the classroom trust fund under section 163.043 shall not be less
68 than the greater of state revenue received by a district in the 2004-05 or 2005-06
69 school year from the foundation formula, line 14, gifted, remedial reading,
70 exceptional pupil aid, fair share, and free textbook payment amounts multiplied
71 by the dollar value modifier;

72 (d) For each year subsequent to the 2008-09 school year, the amount shall
73 be no less than that computed in paragraph (c) of this subdivision;

74 **(e) For districts meeting the criteria of paragraphs (a) through**
75 **(d) of this subdivision, an additional payment amount equal to the**
76 **decrease, if any, in the amount of revenue a district receives from fines**
77 **in the current year from the revenue the district received from fines in**
78 **fiscal year 2005 shall be paid to any such qualified district.**

79 (3) The department of elementary and secondary education shall make an
80 addition in the payment amount specified in subsection 1 of this section to assure

81 compliance with the provisions contained in this subsection.

82 3. School districts that meet the requirements of section 163.021 shall
83 receive categorical add-on revenue as provided in this subsection. The categorical
84 add-on for the district shall be the sum of: seventy-five percent of the district
85 allowable transportation costs under section 163.161; the career ladder
86 entitlement for the district, as provided for in sections 168.500 to 168.515, RSMo;
87 the vocational education entitlement for the district, as provided for in section
88 167.332, RSMo; and the district educational and screening program entitlements
89 as provided for in sections 178.691 to 178.699, RSMo. The categorical add-on
90 revenue amounts may be adjusted to accommodate available appropriations.

91 4. In the 2006-07 school year and each school year thereafter for five
92 years, those districts entitled to receive state aid under the provisions of
93 subsection 1 of this section shall receive state aid in an amount as provided in
94 this subsection.

95 (1) For the 2006-07 school year, the amount shall be fifteen percent of the
96 amount of state aid calculated for the district for the 2006-07 school year under
97 the provisions of subsection 1 of this section, plus eighty-five percent of the total
98 amount of state revenue received by the district for the 2005-06 school year from
99 the foundation formula, line 14, gifted, remedial reading, exceptional pupil aid,
100 fair share, and free textbook payments less any amounts received under section
101 163.043.

102 (2) For the 2007-08 school year, the amount shall be thirty percent of the
103 amount of state aid calculated for the district for the 2007-08 school year under
104 the provisions of subsection 1 of this section, plus seventy percent of the total
105 amount of state revenue received by the district for the 2005-06 school year from
106 the foundation formula, line 14, gifted, remedial reading, exceptional pupil aid,
107 fair share, and free textbook payments less any amounts received under section
108 163.043.

109 (3) For the 2008-09 school year, the amount of state aid shall be forty-four
110 percent of the amount of state aid calculated for the district for the 2008-09
111 school year under the provisions of subsection 1 of this section plus fifty-six
112 percent of the total amount of state revenue received by the district for the
113 2005-06 school year from the foundation formula, line 14, gifted, remedial
114 reading, exceptional pupil aid, fair share, and free textbook payments less any
115 amounts received under section 163.043.

116 (4) For the 2009-10 school year, the amount of state aid shall be fifty-eight

117 percent of the amount of state aid calculated for the district for the 2009-10
118 school year under the provisions of subsection 1 of this section plus forty-two
119 percent of the total amount of state revenue received by the district for the
120 2005-06 school year from the foundation formula, line 14, gifted, remedial
121 reading, exceptional pupil aid, fair share, and free textbook payments less any
122 amounts received under section 163.043.

123 (5) For the 2010-11 school year, the amount of state aid shall be
124 seventy-two percent of the amount of state aid calculated for the district for the
125 2010-11 school year under the provisions of subsection 1 of this section plus
126 twenty-eight percent of the total amount of state revenue received by the district
127 for the 2005-06 school year from the foundation formula, line 14, gifted, remedial
128 reading, exceptional pupil aid, fair share, and free textbook payments less any
129 amounts received under section 163.043.

130 (6) For the 2011-12 school year, the amount of state aid shall be eighty-six
131 percent of the amount of state aid calculated for the district for the 2011-12
132 school year under the provisions of subsection 1 of this section plus fourteen
133 percent of the total amount of state revenue received by the district for the
134 2005-06 school year from the foundation formula, line 14, gifted, remedial
135 reading, exceptional pupil aid, fair share, and free textbook payments less any
136 amounts received under section 163.043.

137 (7) (a) Notwithstanding subdivision (18) of section 163.011, the state
138 adequacy target may not be adjusted downward to accommodate available
139 appropriations in any year governed by this subsection.

140 (b) If a school district experiences a decrease in summer school average
141 daily attendance of more than fifteen percent from the district's 2005-06 summer
142 school average daily attendance in any year governed by this subsection, an
143 amount equal to the product of the percent reduction in the district's summer
144 school average daily attendance multiplied by the funds generated by the
145 district's summer school program in the 2005-06 school year shall be subtracted
146 from the district's current year payment amount.

147 (c) If a school district experiences a decrease in its gifted program
148 enrollment of more than twenty percent from its 2005-06 gifted program
149 enrollment in any year governed by this subsection, an amount equal to the
150 product of the percent reduction in the district's gifted program enrollment
151 multiplied by the funds generated by the district's gifted program in the 2005-06
152 school year shall be subtracted from the district's current year payment amount.

153 5. For any school district meeting the eligibility criteria for state aid as
154 established in section 163.021, but which is considered an option district under
155 section 163.042 and therefore receives no state aid, the commissioner of education
156 shall present a plan to the superintendent of the school district for the waiver of
157 rules and the duration of said waivers, in order to promote flexibility in the
158 operations of the district and to enhance and encourage efficiency in the delivery
159 of instructional services as provided in section 163.042.

160 6. (1) No less than seventy-five percent of the state revenue received
161 under the provisions of subsections 1, 2, and 4 of this section shall be placed in
162 the teachers' fund, and the remaining percent of such moneys shall be placed in
163 the incidental fund. No less than seventy-five percent of one-half of the funds
164 received from the school district trust fund distributed under section 163.087
165 shall be placed in the teachers' fund. One hundred percent of revenue received
166 under the provisions of section 163.161 shall be placed in the incidental
167 fund. One hundred percent of revenue received under the provisions of sections
168 168.500 to 168.515, RSMo, shall be placed in the teachers' fund.

169 (2) A school district shall spend for certificated compensation and tuition
170 expenditures each year:

171 (a) An amount equal to at least seventy-five percent of the state revenue
172 received under the provisions of subsections 1, 2, and 4 of this section;

173 (b) An amount equal to at least seventy-five percent of one-half of the
174 funds received from the school district trust fund distributed under section
175 163.087 during the preceding school year; and

176 (c) Beginning in fiscal year 2008, as much as was spent per the second
177 preceding year's weighted average daily attendance for certificated compensation
178 and tuition expenditures the previous year from revenue produced by local and
179 county tax sources in the teachers' fund, plus the amount of the incidental fund
180 to teachers' fund transfer calculated to be local and county tax sources by dividing
181 local and county tax sources in the incidental fund by total revenue in the
182 incidental fund.

183 In the event a district fails to comply with this provision, the amount by which
184 the district fails to spend funds as provided herein shall be deducted from the
185 district's state revenue received under the provisions of subsections 1, 2, and 4
186 of this section for the following year, provided that the state board of education
187 may exempt a school district from this provision if the state board of education
188 determines that circumstances warrant such exemption.

189 7. If a school district's annual audit discloses that students were
190 inappropriately identified as eligible for free and reduced lunch, special
191 education, or limited English proficiency and the district does not resolve the
192 audit finding, the department of elementary and secondary education shall
193 require that the amount of aid paid pursuant to the weighting for free and
194 reduced lunch, special education, or limited English proficiency in the weighted
195 average daily attendance on the inappropriately identified pupils be repaid by the
196 district in the next school year and shall additionally impose a penalty of one
197 hundred percent of such aid paid on such pupils, which penalty shall also be paid
198 within the next school year. Such amounts may be repaid by the district through
199 the withholding of the amount of state aid.

Section B. Because of the need to provide a quality education for Missouri
2 students, section A of this act is deemed necessary for the immediate preservation
3 of the public health, welfare, peace and safety, and is hereby declared to be an
4 emergency act within the meaning of the constitution, and section A of this act
5 shall be in full force and effect on July 1, 2006, or upon its passage and approval,
6 whichever comes later.

Bill ✓

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